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Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 1998 General Assembly.

HOUSE ENROLLED ACT No. 1561

AN ACT concerning the environment.

Be it enacted by the General Assembly of the State of Indiana:

SECTION 1. [EFFECTIVE UPON PASSAGE] (a) **The environmental quality service council shall conduct a study to advise the department of environmental management concerning the feasibility of establishing an air emissions reduction credit program that provides economic incentives to achieve air quality goals and objectives in Indiana.**

(b) **The environmental quality service council shall consider the following items in its study:**

- (1) **Cost effective ways to achieve air emissions reductions.**
- (2) **The economic and environmental benefits of an air emissions reduction credit program that would allow credits to be earned, banked, and traded on an exchange.**
- (3) **The benefits of an air emissions reduction credit trading program in:**
 - (A) **areas classified as nonattainment for ozone;**
 - (B) **areas classified as transitional for ozone attainment;**
 - and**
 - (C) **areas unclassified under the federal Clean Air Act (42 U.S.C. 7401 et seq.).**
- (4) **The establishment of a formal process for the**

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identification of emission offsets for use in nonattainment areas.

(5) Existing federal and state air emissions reduction credit programs.

(6) Use of set-asides to achieve net reduction of air emissions and maximum environmental benefit.

(7) The establishment of a central registry or clearinghouse where air emissions reduction credit program information may be published.

(8) Existing federal regulations that might affect a state operated air emissions reduction credit program.

(9) Guidelines determining use and value of an earned air emissions reduction credit.

(10) Locally transported pollutants and long range transported pollutants.

(11) The benefits of interpollutant trading.

(12) The duration of an earned air emissions reduction credit.

(13) Any other information the environmental quality service council considers appropriate.

(c) Before January 1, 2000, the environmental quality service council shall make a recommendation to the legislative council that does at least one (1) of the following:

(1) Suggests legislation that would require the air pollution control board to adopt rules to establish an air emissions reduction credit program before July 1, 2001.

(2) Advises the department of environmental management to adopt guidance or nonrule policy documents before July 1, 2001, to implement air emissions reduction credit trading or other economic incentives to meet air quality goals and objectives.

(3) Recommends that the environmental quality service council or a workgroup established by the environmental quality service council should continue to study the feasibility of establishing an air emissions reduction credit program in Indiana.

(d) A recommendation made under subsection (c) by the environmental quality service council may not interfere with federal acid rain programs or the state implementation plan concerning nitrogen oxides.

(e) This SECTION expires July 1, 2001.

SECTION 2. An emergency is declared for this act.

